

WASHINGTON TIMES
19 May 1986

Spy trial to begin today for ex-NSA code expert

By Bill Gertz
THE WASHINGTON TIMES

The espionage trial of former National Security Agency code specialist Ronald William Pelton is expected to open today in Baltimore federal court, a case surrounded by secrecy and controversy.

After 14 years as a cryptanalyst specializing in electronic intelligence-collection programs against the Soviet Union, Mr. Pelton, 45, left NSA in July 1979, three months after he filed for bankruptcy and six months before he met with KGB officials for the first time in Washington, court papers say.

Mr. Pelton has pleaded not guilty to charges that he sold NSA secrets to the Soviets between January 1980 and September 1985 for more than \$35,000.

U.S. District Judge Herbert F. Murry, who will preside over today's trial, ruled Friday that Mr. Pelton's statements to FBI agents before his arrest and information obtained from telephone intercepts of the Soviet Embassy can be used as evidence in the case.

Fred Warren Bennett, Mr. Pelton's court-appointed attorney, had argued that FBI agents used "psychological coercion" to obtain statements from Mr. Pelton.

Mr. Bennett also challenged use of a court-approved wiretap of the Soviet Embassy, which picked up a conversation between Mr. Pelton and Soviet KGB officer Vitaly Yurchenko in 1980. Mr. Bennett claimed the wiretap could not be used in court since it was approved for foreign intelligence collection under a 1978 law and was not meant to be used in a criminal investigation.

In an interview, he declined to discuss his strategy in the case or who will be called to testify.

Asked if a plea bargain was possible, Mr. Bennett said, "There will be no change; we're going to trial Monday."

The chief prosecutor in the case, Assistant U.S. Attorney Robert N. McDonald, declined to discuss the case yesterday because of a law prohibiting government officials from commenting on pending cases.

The trial is expected to focus on a top secret 1978 report Mr. Pelton prepared while working for NSA. The document has not been released publicly but was described in court papers as a report "concerning a specific U.S. intelligence-gathering project directed at the Soviet Union."

Mr. Pelton has admitted he told the Soviets about the project and said Soviet intelligence officials were interested in all aspects of the report.

"They got more out of me than I wanted to give up," court papers quote Mr. Pelton as telling FBI agents about his two sessions with the KGB in Vienna, Austria.

The Pelton case is the only espionage case

brought to trial as the result of information supplied by Mr. Yurchenko, who defected last year but later redefected to the Soviet Union. Mr. Yurchenko provided U.S. officials with a tip that led to Mr. Pelton's arrest Nov. 24 at the Annapolis Hilton hotel.

FBI Director William Webster has said information from Mr. Yurchenko has resulted in a number of ongoing espionage probes. But counterintelligence experts say that, based on the CIA's career profile of Mr. Yurchenko, he should have supplied much more detailed information on Soviet spy networks, which would have led to numerous arrests.

So far the only other person known to have been named as a Soviet agent by Mr. Yurchenko is former CIA operative Edward L. Howard, who slipped out the country just hours before FBI agents planned to arrest him.

Mr. Yurchenko shocked the CIA when he bolted a Georgetown restaurant and redefected to the Soviet Union several weeks before Mr. Pelton's arrest.

The Pelton case also set off a storm of controversy over the publication of classified information. CIA Director William J. Casey recently threatened to prosecute The Washington Post if it published NSA secrets Mr. Pelton allegedly passed to the Soviets.

The case also has focused attention on CIA and FBI counterspy shortcomings. According to court papers, Mr. Pelton's first contact with the Soviet Embassy in Washington was made by phone Jan. 14, 1980, and was picked up by intelligence collectors. The next day Mr. Pelton walked into the Soviet Embassy and met with KGB officials for a 3½-hour meeting, the papers say. But the FBI was not alerted to the phone call until after Mr. Yurchenko's defection five years later, an administration source said.

The FBI is in charge of foreign counterintelligence in the United States, while the CIA deals with hostile intelligence recruitments, meetings and penetrations overseas.

CIA counterintelligence apparently failed to spot Mr. Pelton when he traveled to Vienna in 1980 and 1983. On each trip, he spent three to four days in eight-hour debriefing sessions with Soviet intelligence operatives in the apartment of the Soviet ambassador to Austria, court papers state.

One intelligence source said CIA counterespies could have detected Mr. Pelton if an overseas counterintelligence program had been in place. Former CIA Deputy Director John McMahon, who left the agency earlier this year, vetoed the plan as "disruptive" of the CIA, the administration source said.

Court papers released Friday show that one of Mr. Pelton's NSA superiors described him as a "very intelligent" analyst who was also a budget officer — a post that would have provided access to NSA's most secret projects.